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SUBJECT: INTEL CEO MAKES A SPLASH IN CAIRO

1. In his first visit to Egypt, Intel Corporation CEO Craig Barrett last week delivered a slick, multimedia presentation resembling a primetime television show to assembled government and business leaders during an AmCham-sponsored luncheon on "Building the Digital Society in Egypt." The spectacular event received a great deal of local press play, as Barrett cited the GOE's strides in modernizing the Information and Communication Technology (ICT) sector over the last five years and initiatives to attract major ICT companies to invest in Egypt. It was a largely positive event, although he also criticized corporate tax regulations and Egypt's lack of spending on research and development (noting that his company alone spends five times as much as the GOE on ICT research).

2. Barrett was in town to demonstrate Intel's commitment to do business in Egypt, marking a dramatic change for the multinational; a decade ago, Intel publicly rejected the idea of establishing a high tech center in Ismailia and instead directed its investment to Israel. Now, Intel plans to open in Egypt a center to develop platforms for use across the Middle East and Africa and a software laboratory, to cooperate with the GOE on various information technology-related initiatives, and to bring the International Science and Engineering Fair to Egypt during the coming academic year. Comment: Intel's expanded interest in Egypt reflects growing confidence among international ICT players that the Nazif government is serious about turning the country into an investor-friendly arena. End comment.

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